

2008 QAP WORKSHOP and MARKETPLACE

March 11, 2008

Application Deadlines

- Family, Senior & Supportive Housing Cycles

Due: April 28th HIGH NOON!

Awards: June/July 2008

- Final Cycle

Due: August 25th

Awards: October 2008

- Hardship Applications

Due: July 15th

Cycles, Funding Amounts, and Set-Asides

Minimum Bedroom Distributions

- Family and Final Cycle projects only
- For non-age restricted projects:
 - 0-1BR < 20% of tax credit units
 - 2BR > 30% of tax credit units
 - 3BR > 20% of tax credit units
- Exceptions: market demographics and/or financial feasibility

Family Cycle

- \$7,000,000 Available
- Maximum annual allocation = \$2 mil

Family Cycle (cont.)

- 5 set-asides:
 - Preservation = 1 project
 - Affordability = 1 project
 - 10% Units @ 35% AMI
 - HOPE VI/Replacement Housing = 1 project
 - Qualified Nonprofit = 1 project
 - Community Based
 - Mixed income = 1 project

Preservation Set-Aside

At Risk of losing its affordability controls
or

At risk of losing its level of affordability

- Rents at or near existing levels
- Applicable fraction based on existing tenants AND market analysis
- Max. acq. developer fee = 8% of acquisition amount
- Non-deferred portion = 4%
- Scattered site w/ over-income residents must provide relocation plan

Senior Cycle

- \$3,000,000 Available
- Maximum annual allocation = \$1.5 mil
- Minimum of 85% must be one-bedroom
- 3 set-asides:
 - Preservation = 1 project
 - Affordability = 1 project
 - HOPE VI/Replacement Housing = 1 project

Supportive Housing Cycle

- \$2,000,000 Available
- Maximum annual allocation = \$900k
- No Set-Asides

Supportive Housing Cycle

- > 10 units or 25% of total units
- Minimum of three services
- Social service coordinator 20 hrs/week
- Social Service Plan

Final Cycle

- Balance of credits
- Maximum annual allocation = \$2 mil
- 2 (or 3) set-asides:
 - Nonprofit (if necessary)
 - HOPE VI/Replacement Housing = 1 project
 - Preservation = 1 project

Geographic Distribution

- No more than 3 projects per year per municipality; and
- No more than 2 projects per cycle from the same municipality

Minimum Rehab Project

- Construction costs totaling less than \$25,000 per unit.
- Supportive Housing and Final Cycles only

ELIGIBILITY REQUIREMENTS and FEASIBILITY ANALYSIS

Eligibility

Project Narrative & Market Study

- Submit narrative
- Market Study date
 - Less than 6 Months old
- Analyst contacted directly
 - HMFA review analyst will contact your analyst directly
- Analyst response
 - 5 days to respond, failure to respond could jeopardize project
- Copies/Pictures
 - 2 Copies of market study, 1 bound separately

Eligibility

■ Site control

■ Deed/Lease/Option

- Provide current owner's recorded deed
- If using combination of methods, provide all linking documents

■ Eminent Domain

- Provide all written offers
- Declaration of taking due w/i 3 months of award

■ Lot and Block on Deeds

- Make sure all lot and blocks match up correctly

■ Preliminary Site Plan Approval

- If approval is close to deadline, letter from planning board or minutes of meeting are okay

Eligibility

■ Environmentals

- Phase I: non-submission \neq hardship credits

■ Funding Commitments

- Developer Fee Pledge
 - Fee pledge > 50% only allowed on an interim basis
- Maximum Developer Fee
 - 15%, 8% non-deferred

■ Energy Star

- Letter of Intent for all projects
- Partnership Agreement if applicable

■ Tax Credit Certification Course



- Staff who reviews resident applications must be certified

Eligibility

- Acquisition Credits
 - Appraisal
 - Less than 6 months old
 - Attorney Opinion Letter
 - Should state specific requirements are met under Internal Revenue Code
 - Purchase Price vs. Appraisal Price
 - Underwrite using lesser of purchase or appraisal price
- Step In Shoes
 - Audited by Independent C.P.A
- USDA Rural Development
 - Provide commitment letter from State Director

Eligibility

- Rental Assistance
 - Federal
 - Commitment letter or fully executed contract
 - State – see slide #39
- Supportive Housing Projects
- Affirmative Fair Housing Marketing Plan
 - 25 units or more
- Hope VI/Replacement Housing Set-Asides
 - Commitment letter
 - Attorney opinion letter
 - Residual value analysis

Feasibility - Operating Budget Guidelines

- Income/Expense/Vacancy Trending
 - 2% Income/3% Expenses/7% Vacancy
- Debt Coverage Ratio
 - 1.15-1.20, obtain maximum supportable mortgage
- Replacement Reserves
- Core Operating Expense Guidelines
- Operating Comparables
 - Provide 2 Operating Comps or signed Form-10 from Property Management Division

Feasibility - Capital Budget Guidelines

- Minimum Equity Factor
 - .78¢ currently, subject to market conditions
- New Eligible Basis Limits
 - 7% increase
- Tax Credit Percentage
 - 70% Present Value Credit – 8.10%
 - 30% Present Value Credit – 3.50%
- Signature Pages
 - Signed Form 10 acceptable

Department of Community Affairs

Paul Dice,

Acting Director of Division of Housing

Balanced Housing Funds

POINT SYSTEM and RANKING CRITERIA

FAMILY CYCLE

Points – Family Cycle

- Extended Use
 - 45 yr affordability period (15)
 - Conversion to ownership (10)
 - Qualified Census Tract (15)
 - evidence for all sites
- PHA Waiting List (1)
 - Adjacent PHA is acceptable

Points – Family Cycle

- Project Type
 - 30% Large Family Units \leq 4 stories (7)
 - Rehab $>$ 4 stories (3)
- Local Support
 - Tax abatement (5)
 - 15 years fixed
 - Cite proper statute
 - 2 yr tax escrow + local support (2-4)
 - Municipal confirmation of assessment

Points – Family Cycle

- Social services (3)
 - Executed agreements
- MBE/WBE (4)
 - 15% of total construction cost
- Unit amenities (3)
- Project amenities (2)
- Community policing/public safety (2)

Points – Family Cycle

- Ready to Grow (5)
 - Smart growth
 - Smart growth locator printout
- Water/sewer capacity AND
 - Redevelopment area, Identified/Proposed, Center, Plan Endorsement, existing footprint

Ready To Grow (continued)

- COAH/Court/Transit Village (+5)
 - Resolution of Intent
 - Density Bonus Letter
 - Form letter from city planner endorsed by city council
- QCT w/CRP (+2)
 - Redevelopment Plan, Neighborhood Revitalization, HOPE VI or 8 CRP criteria

Points – Family Cycle

- Site Selection (2)
 - Negative uses -1 mile
 - Positive uses - 1/2 mile
 - Verified in market study
- Equity Commitment Letter (1)
- Negative Points
 - Foreclosure, noncompliance, credit return

Points – Family Cycle

- Green (1)
 - Green Future, LEED, Solar
 - Letter of Intent
- Brownfields, Historic, Adaptive Reuse (2)
 - 40% of units on Brownfields site
 - Historic Tax Credit (+1)
- Cure period (-2)

SENIOR CYCLE

Points – Senior Cycle

Same as Family EXCEPT:

- Ready to Grow points are reversed
- 20% frail elderly replaces large family units (1)

Supportive Housing Cycle

Pamela McCrory, Director of
Supported Housing & Special
Needs

Supportive Housing Cycle

Same as Family/Final Cycle Points

1. Social Services Plan

New!!

(i) Target population & Services (up to 4 pts)

(ii) 24 hr/7 Services, or Financial Education,
or Health Care Services (2 pts)

Supportive Housing Cycle

Social Services Plan, cont.

(iii) Social service provider track record (1 pt)

(iv) Outcome measure & Evaluation methodology (1 pt)

New!! (v) Bi-lingual services, Cultural competency, Special Needs accommodations (1 pt)

(vi) Tenant directed services, Consumer choice (1 pt)

Supportive Housing Cycle

2. On/Off-Site education and/or Job training. (up to 2 pts)

New!! 3. 3 community partnerships to community resources (1 pt)

4. Lease-based permanent Supportive Housing (2 pts)

Supportive Housing Cycle

5. Rental assistance commitments (2 pts)

6. Qualified nonprofit organization (2 pts)

New!! 7. Integrated community living (2 pts)

Department of Community Affairs

Project Based State Rental Assistance For Supportive Housing Cycle

- 40 vouchers available
- Maximum 10 vouchers per project
- Apply through DCA RFP or HMFA Special Needs Division

Final Cycle Points

Same as Family Cycle

Other Requirements . . .

- Tiebreaker
 - Least amount of Balanced Housing/Home Express per unit
- Minimum Point Requirement
 - 65% of maximum score

Before You Submit . . .

- HMFA Financing
 - Michael Staton, 609-278-7520
 - John Murray, 609-278-7518
- CRP Review/Ready to Grow Questions
 - Maura Fennessy, 609-278-8803
- Pre-Application Meetings
 - Donna Denti, 609-278-8818

After The Award . . .

- Carryover & Allocation Fee
 - November 30
 - Tax Clearance Certificate
- 10% test
 - 3 months from carryover

After The Award . . .

- Compliance Meeting
- 8609
 - 90 days after PIS
 - Mitas User Agreement

THANK YOU!!!

Questions?

- Deb Urban - (609) 278-7577
- Teresa White- (609) 278-7576
- Noah Freiberg - (609) 278-7524